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Reagan Told Of Contra Aid, North Said

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FBI Director William H. Webster has given the Senate Select Committee on Intelligence a "lost" report on a bureau interview in which fired National Security Council aide Oliver L. North said that in June 1985 he discussed a large private donation to the Nicaraguan contras with both President Reagan and his former national security adviser, Robert C. McFarlane.

The report, written by an FBI agent who interviewed Lt. Col. North on July 18, 1985, at the White House, said a proposed contribution by an Iranian posing as a Saudi prince "was discussed by North personally with President Ronald Reagan and national security adviser Robert McFarlane as recently as June 1985."

The FBI notes on this interview provide the first documented suggestion that North spoke directly with the president about private donations from specific individuals to the contras at a time when Congress had cut off all U.S. government aid.

It also suggests that North was seeking to circumvent the congressionally mandated cutoff. North told the FBI agent that he was maintaining "indirect contact" with the self-described prince "due to the desperate need of private funds by Nicaraguan freedom fighters since being cut off from U.S. funding."

But the report, prepared in the FBI Washington field office, never reached the bureau's headquarters two blocks away because of a transmission error, Webster told a surprised Senate intelligence committee. The committee had convened to hear supplementary testimony from Webster on his nomination to head the Central Intelligence Agency.

The interview with North was part of an FBI investigation into the activities of his supposed donor, Mousalreza Ebrahim Zadeh, the Iranian who posed as a Saudi prince.

Both committee Chairman David L. Boren (D-Okla.) and Sen. Arlen Specter (R-Pa.) said North's statements to the FBI agent who interviewed him indicated an apparent violation of the law. Webster said he agreed.

The Tower review board report quotes a North memo as saying the president "obviously knows" why he has been meeting with several select people to thank them "for their 'support for democracy' in CentAM," a reference to Central America. But there was no further indication that North was discussing individual donations with Reagan.

Other documents submitted to the committee by Webster yesterday indicate that a top aide to Webster, Oliver B. (Buck) Revell, had received a request from North last April asking Revell to intervene to postpone an appearance before a Philadelphia federal grand jury by Richard Miller, president of a public relations firm involved in funneling aid to the contras. In an April 13 letter to the committee, Revell said North had called him to get Miller the postponement "so as to avoid possible adverse impact on negotiations connected with the hostages in Lebanon."

Miller had earlier told the FBI he was doing "contract work" for both the NSC and the State Department and held a "top secret" clearance.

North identified Miller to the FBI as his contact with the Iranian posing as a Saudi prince. Zadeh wrote a $210,000 check using the William Penn Bank in Philadelphia that bounced. He pleaded guilty to bank fraud in January of this year and was sentenced to five years in prison.

Miller was described Wednesday as a coconspirator by Carl R. (Spitz) Channell, who pleaded guilty to conspiring to defraud the government by soliciting contributions for the contras to a tax-exempt foundation. Miller has denied the allegation.

The FBI documents submitted to the Senate panel also make clear the bureau knew much more about North's activities on behalf of the contras than has been heretofore realized.

But Webster said he was not aware Revell had been contacted by North to intervene on behalf of Miller or of the lost report of the interview with North until April 13, the same day he sent a letter containing a copy of the North interview to the Senate intelligence committee.

The FBI director said the memo had been lost because of "an unusual technological failure" at the bureau stemming from the changeover in the type of teleprinter being used. As a result, the memo arrived "garbled" at FBI headquarters and another copy was apparently never sent, he said.

Webster's April 13 letter to the panel also included Revell's description of his role in the Philadelphia investigation of the "prince." Revell said he had received a telephone call from North requesting that Miller's appearance before the Philadelphia grand jury be postponed for "about 10 days." Webster said Revell recalled contacting an assistant U.S. attorney in Philadelphia requesting the postponement in April 1985.

But Revell changed that account in a second letter to the committee written four days later, on April 17. Webster testified yesterday that Revell "now recalls that he did not request a postponement of Mr. Miller's appearance" before the Philadelphia grand jury.

According to Revell's second account, he had asked the U.S. attorney only about the status of Miller's proposed testimony, and the attorney said he had already agreed to a delay at the urging of Miller's lawyer.

Webster said Revell should have told him about North's unusual request and that his aide had "lost some sleep" recently over his failure to do so. He said he could not think of another lapse of this kind during his nine-year tenure as FBI director.

"It's the kind of thing I expect to be advised of," he said. "We've had discussions about it."

Specter spent almost an hour questioning Webster about FBI investigations involving the contras and allegations that North had been given information about them. The FBI director said he had been unable to confirm any of those allegations, which have appeared in press reports, but he said, "I am very confident our agents are very sensitive to outside opportuning."

He said he believed the only information North got was "routine disseminations" concerning hostages and counterterrorism because both were his area of responsibility on the National Security Council.

Boren, who at first seemed ready to vote on Webster's nomination for the CIA position last night, backed off after several senators objected that they had not had time to study the new FBI documents and their implications.

Boren said he planned to poll the committee overnight and that he hoped a vote could be taken "as soon as possible."

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